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## COUNTY OF LOS ANGELES DEPARTMENT OF CONSUMER AFFAIRS

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*"To Enrich Lives Through Effective and Caring Service"*

Members of the Board

Gloria Molina  
Yvonne B. Burke  
Zev Yaroslavsky  
Don Knabe  
Michael D. Antonovich

Pastor Herrera, Jr.  
Director

May 2, 2006

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**REQUEST FOR TERM EXTENSIONS FOR TWO (2) CABLE TELEVISION  
FRANCHISES IN THE UNINCORPORATED AREAS OF LAKE HUGHES  
GRANTED TO CAPP'S TV ELECTRONICS, INC., AND PALOS VERDES  
GRANTED TO COXCOM, INC.**

**(4<sup>th</sup>, 5<sup>th</sup> Districts) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve two (2) ordinance amendments to extend the term of the cable television franchises through December 31, 2007 in the unincorporated areas of Lake Hughes and Palos Verdes.
2. Introduce, waive reading and place on your Board's Agenda for adoption the attached ordinances that implement the above recommendations.
3. Find these franchise extensions categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Class 1, Section (e), of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Capp's TV Electronics, Inc., a California corporation, and CoxCom, Inc., a Delaware corporation have cable television franchises with the County that expire on June 30, 2006. These short-term franchise extensions are necessary while addressing legislative

threats to local cable franchising. Legislation has been introduced that may significantly impact all local cable franchising authorities, such as the County. A Federal bill entitled, the "Communications, Promotion and Enhancement Act of 2006", "COPE" has been introduced by Barton, Upton, Pickering and Rush. A State bill, AB2987, "The Digital Infrastructure and Video Competition Act of 2006" has been introduced by Nuñez and Levine.

How the County proceeds with regard to its amendment of Title 16, Division 4 of the County Code, and renewal of its cable franchises will be dependent on the outcome of the pending legislation. Consumer Affairs is working with the Chief Administrative Office and County Counsel to ensure that the County's interests are considered.

Term extensions are requested for the following franchises:

Lake Hughes, Ordinance No. 87-0057F, as amended, granted to Capp's TV Electronics, Inc., a California corporation; and

Palos Verdes, Ordinance No. 89-0097F, as amended, granted to CoxCom, Inc., a Delaware corporation.

#### Implementation of Strategic Plan Goals

Approval of these recommendations will assist in implementing the Countywide Strategic Plan goal of fiscal responsibility. This will ensure the continuation of revenue provided to the County by statute.

#### **FISCAL IMPACT/FINANCING**

There will be no cost to the County. These cable television franchises generate revenue to the County. Section 622 (b) of the Cable Act of 1984 [47 U.S.C. §542 (b)] gives a local franchising authority, such as the County, the right to collect franchise fees of no more than five percent (5%) of total gross revenues collected by a cable television franchisee over a 12-month period. The extension of these cable television franchises will allow continued collection of these franchise fees.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Office of the County Counsel has reviewed the attached ordinances and approved them as to form.

**ENVIRONMENTAL DOCUMENTATION**

The term extension of these cable television franchises is categorically exempt under CEQA pursuant to Class 1, Section (e) of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There will be no impact on current services.

**CONCLUSION**

It is requested that the Executive Office-Clerk of the Board notify Mr. Earl Capp Loughboro, President and CEO, Capp's TV Electronics, Inc., 1399 Arundell Avenue, Ventura, CA 93003, Mr. James M. Leach, Vice President Government Affairs, COX Communications, 29947 Avenida De Las Banderas, Rancho Santa Margarita, CA 92688, Chief Administrative Office, Auditor-Controller, County Counsel, Department of Public Works, and Department of Consumer Affairs of the Board's action in this matter.

Respectfully submitted,

Pastor Herrera, Jr.  
Director

Enclosures: (2) Ordinances

c: Executive Officer, Board of Supervisors  
Chief Administrative Officer  
Auditor-Controller  
County Counsel  
Department of Public Works